

**AGENCY FOR INTERNATIONAL DEVELOPMENT
PPC/CDIE/DI REPORT PROCESSING FORM**

ENTER INFORMATION ONLY IF NOT INCLUDED ON COVER OR TITLE PAGE OF DOCUMENT

1. Project/Subproject Number

497-0357

2. Contract/Grant Number

497-C-00-98-00045-00

3. Publication Date

8 July 1999

4. Document Title/Translated Title

Economic Priorities after the Indonesian Elections and Their Implications for the Australasian Region

5. Author (s)

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6. Contributing Organization (s)

Nathan/Checchi Joint Venture/PEG Project

7. Pagination

15

8. Report Number

PEG 06

9. Sponsoring A.I.D. Office

ECG, USAID/Jakarta

10. Abstract (optional - 250 word limit)

11. Subject Keywords (optional)

- | | |
|------------------------|----|
| 1. Indonesia | 4. |
| 2. Economic Priorities | 5. |
| 3. Australasian Region | 6. |

12. Supplementary Notes

13. Submitting Official

C. Stuart Callison, Chief of Party

14. Telephone Number

011-62-21-520-1047

15. Today's Date

26 August 2001

.....DO NOT write below this line.....

16. DOCID

17. Document Disposition

DOCRD [] INV [] DUPLICATE []

Economic Priorities after the Indonesian Elections and Their Implications for the Australasian Region¹

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This paper examines the economic platforms of five major Indonesian political parties, in the light of last November's People's Consultative Assembly decision about economic policy in the framework of economic democracy, in order to assess the likely possible variations in economic priorities and policies after the Dewan Perwakilan Rakyat (Indonesian Legislative Assembly) elections in June and Presidential election in November, 1999. We then consider their implications for the Australasian Region.

The paper is divided into three main sections:

1. An examination of the Decision of the Republic of Indonesia People's Consultative Assembly Number XVI/MPR/1998 about Economic Policy in the Framework of Economic Democracy (*KETETAPAN MAJELIS PERMUSYAWARATAN RAKYAT REPUBLIK INDONESIA NOMOR XVI/MPR/1998 TENTANG POLITIK EKONOMI DALAM RANGKA DEMOKRASI EKONOMI*) dated 13 November 1998.ⁱ
2. Differences and similarities in political party economic principles and policies
3. The implications of the political parties' principles and policies for the Australasian region

In the Appendix we list the main economic principles and policies contained in the economic platforms of these five Indonesian political parties that are likely to win a large number of seats in the June 1999 elected Indonesian Legislative Assembly.

The Economic Policy in the Framework of Economic Democracy Decision of the Majelis Permusyawaratan Rakyat Republik Indonesia (MPR)

The special session of the Republic of Indonesia People's Consultative Assembly (MPR) on 13 November 1998 passed the Decision of the Republic of Indonesia People's Consultative Assembly Number XVI/MPR/1998 about Economic Policy in the Framework of Economic Democracy (NOMOR XVI/MPR/1998), which will affect future Indonesian economic priorities. This Decision pertains to the national economic development strategy and policy as implementation of the basic principles of Economic Democracy which emphasises the

¹ This paper was originally published as "Economic Priorities after the Indonesian Elections and Their Implications for the Australian Region", in Ron Edwards and Chris Nyland (eds.), *1999 Annual Conference, Academy of International Business Southeast Asia Region: Preparing for 2000: Opportunities and Challenges for International Business in the Asia Pacific Region, Proceedings*, held 8-10 July 1999 in Melbourne, Australia. Office of Continuing Education, Monash University, Melbourne, 1999.

² PEG is a USAID-funded Project. The views expressed in this report are those of the author and not necessarily those of USAID, the U.S. Government or the Government of Indonesia.

maximum prosperity for the masses as intended in Paragraph 33 of the 1945 Constitution (Undang Undang Dasar 1945). This paper discusses this Decision because many political party economic platforms are influenced by it.

Several points can be made about how this Decision may affect future economic priorities. Paragraphs 2 and 4 state that future national economic development is to be directed to create many medium sized enterprises. It also states that cooperatives, small and medium enterprises as the main pillar of national economic development must obtain opportunities, motivation, support, and development as widespread as possible as a clear taking sides in favour of the people's economic group, without ignoring the role of large enterprises and Government Owned Corporations. From this it is clear that there is to be a strong emphasis on the promotion of cooperatives, small and medium sized enterprises but that large private and State enterprises will still play an important role in the economy. This can be used as a justification to limit the privatisation of State enterprises.

Paragraph 3 states that the accumulation of assets and economic power by a group of people or enterprise must be prevented if it is not in accordance with the principles of justice and even distribution. This statement can be interpreted in different ways. If interpreted literally, since accumulation of assets by its nature conflicts with even distribution, it could be used to discourage capital accumulation and business enterprise, but it is likely that it will be more liberally interpreted.

Paragraph 4 states that weak entrepreneurs (pengusaha lemah) are to be treated fairly, and supported and assisted in their development efforts and in all of their economic interests, especially in utilising natural resources. Weak entrepreneur is not defined but is usually interpreted in Indonesia as meaning indigenous entrepreneurs. Paragraph 6 is concerned explicitly with a very important natural resource, land. Its management must be carried out justly with the elimination of all forms of concentration of control and ownership in the framework of developing the capabilities of small and medium enterprises and cooperatives along with society at large. These two paragraphs undoubtedly reflect the widespread dissatisfaction with the Soeharto New Order Government policies which gave access to vast expanses of primary and secondary forests and other lands to large logging and plantation companies. The emphasis on just treatment of weak entrepreneurs is a reflection of the commonly held view that the New Order Government favoured large enterprises at the expense of smaller ones.

Paragraphs 7 to 10 are concerned with various aspects of banking and finance. Paragraph 7 states that within the limits of healthy enterprise management and principles, banks and financial institutions are to open up as large and as fair as possible opportunities for cooperatives and small and medium enterprises. Other paragraphs state that 1) Bank Indonesia is to be autonomous and free from intervention by the government and other outsiders, 2) that foreign loans of the Government must strengthen and not burden the national economy and must be implemented by the government with the approval of the Indonesian Legislative Assembly (Dewan Perwakilan Rakyat [DPR]) in the annual budget, and 3) private sector foreign loans are fully the responsibility of those concerned as debtors with functional and transparent monitoring by the government. These statements are also a response to serious problems experienced during the New Order period, namely some high ranking government officials influencing Bank Indonesia policies for their own personal benefit, foreign borrowing not being adequately scrutinised by the DPR, and billions of dollars of short-term private debts being contracted without the knowledge of the government. The emphasis on increased lending to cooperatives

and small and medium enterprises is consistent with the other provisions for the encouragement of these enterprises in this Decision.

Paragraph 11 states that economic democratisation for workers takes the form of the participation and freedom to unite in accordance with legislation together with ownership of part of the shares of enterprises.

Paragraph 13 assigns the task to the President and DPR of arranging further the implementation of this MPR Decision in various laws. Presumably this will be accomplished by the newly elected Legislative Assembly of June 1999. Exactly how it is done will be affected by the economic principles of the major political parties, which are discussed below.

Differences and Similarities in Political Party Economic Principles and Policies, Including Those Which Are New or More Emphasised than Present Government Policies

The Indonesian Minister of Industry and Trade, Rahardi Ramelan, in a statement to *Kompas* newspaper on 24 March 1999 in London said that no matter who governs Indonesia after the upcoming election, there will not be a change in basic Indonesian economic policy compared with now. This is because out of the 48 existing political parties, only a few have economic policies, and if they have, there are no basic changes from the present policies ("Kebijakan Ekonomi Tak Berubah"). This study has found these five major political parties have economic principles/policies but there are only a few important differences between them.

We now briefly describe the platforms of the five political parties before examining their similarities and differences.

Partai Kebangkitan Bangsa (National Awakening Party)

This relatively new officially secular political party is headed by a very prominent but modernist muslim leader, K.H. Abdurrahman Wahid, the head of the largest Islamic Organisation in Indonesia, Nahdatul Ulama. Although Partai Kebangkitan Bangsa (PKB) intends to nominate him as President of Indonesia, on 24 March 1999 he stated if he did not run for President because of poor health, he supported Sultan Hamengku Buwono X as the Fourth President of Indonesia, rather than the Head of PDI Perjuangan, Megawati Soekarnoputri ("Gus Dur Pilih Sultan HB X Jadi Presiden"). He said that the Sultan is also a PKB person.

PKB's economic principles and policies are rather vague and uncontroversial (Principles/policies 1-10 in the Appendix). It puts some emphasis on promoting the welfare of small enterprises, especially in rural areas (items 3 and 9). This is not surprising given that PKB undoubtedly will be strongly supported by Nahdatul Ulama members, many of whom are small Muslim businessmen coming from small towns and rural areas especially in Java. The PKB also has rather outward looking international trade policies although their policies are not clearly stated. A PKB government likely would provide greater respect for property rights, especially of commoners, give greater attention to household and small industries and enterprises--especially in rural areas, and render increased accountability and transparency in government policies and business activities than the present government.

Partai Amanat Nasional (the National Mandate Party)

This relatively new officially secular party is also headed and founded by a very prominent muslim leader, Dr Amien Rais, the former head of Muhammadiyah, the second largest Islamic organisation in Indonesia.

As shown by items 22-34 in the Appendix, PAN has the most complete and thoroughly formulated economic platform among the major political parties. Only PAN in its economic policies is explicitly concerned with maintaining the existing capital stock and preventing it from becoming worthless because of the crisis (item 27). The General Chairperson of PAN, Amien Rais, in a speech on 20 March 1999 recognised the importance of big business and stated that the formation of conglomerates must be done in a transparent manner with greater control. The formation of conglomerates is important remembering that there is no economic system in which cooperatives can become superior in competing in global markets (Amien Rais: Konglomerasi Penting, tetapi Harus Lebih Terkontrol). This implies that Rais prefers not to have conglomerates with their assets destroyed if they have the potential to become competitive in global markets. This is consistent with the MPR Decision on Economic Democracy which also acknowledges that large private and State enterprises will continue to play an important role in the economy.

There is some inconsistency in PAN's economic platform. Item 24 states the Government's policies are to provide equal opportunities for economic actors, but items 22 and 29 advocate favouring the weak through affirmative economic policies and provide maximum opportunities for small and medium enterprises by having a proactive attitude

PAN has a more clearly stated affirmative action for weak enterprises than the other political parties. It also has a clear vision of small businesses being damaged by restrictions, controls, and bureaucratic constraints and advocates their elimination (item 21). This together with lessening corruption could greatly assist small enterprises because the costs of meeting bureaucratic requirements and paying illegally levied fees are usually a higher percentage of other costs for small than for large enterprises.

PAN advocates a halt to the New Order's development strategy and the adoption of another one (item 22). However, there is no discussion of which parts of the New Order's development strategy were attractive and deserve to be continued and which parts need to be discontinued or changed. There is a danger that the attractive parts of the New Order's development strategy such as some of its food production measures, export oriented manufacturing facilitations, some Presidential Instruction programs (INPRES), infrastructural development, macroeconomic policies, etc., will be discontinued or altered in undesirable ways.

Partai Persatuan Pembangunan (Development Unity Party)

The Partai Persatuan Pembangunan is one of the three political parties allowed by the Soeharto Government, and got the most votes after GOLKAR in the last Legislative Assembly elections. It is an Islamic party and was formed out of an amalgamation of four Muslim political parties in 1973.

PPP's economic platform contains more about objectives than the policies needed to achieve them. An important proposal is to take steps to re-determine which production sectors are

important and dominate the vital needs of many people (item 40). Such a review has implications for which State enterprises can be privatised, because according to the 1945 Constitution, State enterprises are not needed for sectors that supply non-vital needs of the population.

Literally interpreted p/p item 43 would hinder increases in income, because the accumulation of assets is essential for development. It is highly unlikely that an even distribution of productive assets will result in a higher economic growth rate than an uneven distribution of productive assets, because if income from assets were spread evenly among the whole population, very likely the overall propensity to save would decrease. PPP can be expected to push strongly for increased opportunities for small entrepreneurs, because they account for a considerable proportion of their constituency.

It is surprising that PPP makes no reference to Islamic law because it is an Islamic party.

The above three parties are all expected to gain much of its support from the millions of small especially muslim indigenous family businesses whether they be farmers, small traders, small-scale artisans, service providers, etc. It is the next party discussed, however, which has as its traditional base especially the proletariat.

Partai Demokrasi Indonesia (Perjuangan) [Indonesian Democratic Party (Struggle)]

This secular party claims to be the Partai Demokrasi Indonesia, one of the three political parties allowed by the Soeharto government, but another party, Partai Demokrasi Indonesia, is recognised by the Government. This is why it is called Partai Demokrasi Indonesia (Perjuangan), or PDI Perjuangan. It is headed by the daughter of former President Sukarno, Megawati Soekarnoputri, and is likely to receive strong support in the upcoming election especially from not-so-pious Muslim and non-Muslim workers, petty traders and small farmers.

In the "Piagam Perjuangan Partai Demokrasi Indonesia" (PDI Campaign Charter) the economic principles of the Indonesian Democratic Party (Perjuangan) are presented (items 11 through 20 in the Appendix. These principles, as has traditionally been the situation in Indonesia, express a very active role for the state as communicated in items 12-14, and imply a reluctance to engage in extensive privatisation of government enterprises. PDI Perjuangan in item 16 advocates protection for the weak group but without having to cause distortions in market economy principles. This seems to be weaker support for the weak group than that of Partai Kebangkitan Bangsa in item 3, which pays special attention to efforts to strengthen household and small industries and enterprises, especially in rural areas, which would for the most part be weak groups.

In a speech to a PDI Perjuangan meeting on 28 September 1998, Kwik Kian Gie, a leading economic adviser to Megawati Soekarnoputri, elaborated on the economic system proposed by PDI Perjuangan. Its perspective and mission in the economic arena is the fifth Sila (social justice for all the Indonesian people) from the Pancasila as its philosophical/political base, and Paragraph 33 from the 1945 Constitution as the base of its operations. Kwik stated that the unguided market mechanism always heads towards free fight liberalism. Free fight liberalism will produce the large, strong and rich who hinder, swallow up, and kill those who are smaller, weaker and poorer. Free fight liberalism is opposed by the Garis-Garis Besar Haluan Negara

(GBHN or Broad Outline of Government Policy). Preventive measures perhaps can be cast in a law about economic competition that regulates the competition process so it always is healthy, fair, and just ([*Indonesia-L*] - Re: KKG - Konsep dan Program PDI).

A government dominated by PDI Perjuangan would probably be more sympathetic to trade unions and more wary of large private enterprises than the present Government and the other four political parties. This is partly because the PDI was originally formed from an amalgamation of the Partai Nasional Indonesia (PNI or Indonesian Nationalist Party) and other much smaller parties, with the PNI historically officially strongly favouring the *marhaen* or working class including peasants, small-time artisans, vendors and workers. However, it does advocate the utilisation of foreign capital and the international capital market (item 17).

If PDI Perjuangan had to choose between favouring wage earners or small family businesses it likely would favour more the former than the latter relative to the first three political parties discussed. This is because a bigger proportion of its supporters are wage earners rather than small family businesses. Policies which encourage large labour-intensive enterprises which can compete both in domestic and foreign markets are likely to be effective in creating jobs for the millions of wage earners. Policies that favour small businesses may be at the expense of labour-intensive large ones, resulting in more favourable conditions for small family businesses but less jobs for wage earners. We expect the first three parties would favour the small businesses more than PDI Perjuangan.

Partai Golkar (Golkar Party)

GOLKAR (Golongan Karya) was a group which functioned as a political party established by the Government for technocrats and civil servants, although it was not officially considered to be a political party. It won the majority of seats in the Legislative Assembly in the last election. GOLKAR has now been replaced by Partai Golkar, a political party, headed by Akbar Tanjung. As the dominant party in the national Legislative Assembly and the MPR, it can take credit for the passage of the MPR Decision about Economic Policy in the Framework of Economic Democracy discussed above, and other decisions made by the special November 1998 MPR session.

As might be expected of the political party in power, Partai Golkar's economic policies are rather vague and are more like objectives than detailed policies to achieve objectives. Generally they are uncontroversial except for items 46 and 49. It is not clear how PG is proposing moving in the direction of national autonomy, but if it is at the expense of gains from international trade, it is likely to result in a slower GDP growth rate. However, the present Habibie administration with PG as the dominant political party continues to have quite outward looking policies. Although expanding and distributing subsidised credit to small enterprises is generally popular in Indonesia and advocated by the MPR's November Decision about Economic Policy in the Framework of Economic Democracy, among economists it is controversial.

During the New Order Period Golkar has generally been supportive of big business. Because of this history and because of its likely strong support by big businesses, including non-Muslim businesses, we expect it to be more supportive of big business than the other four political parties.

The Similarities and Differences in the Party Platforms

All five of these political parties are influenced by the MPR decision on economic democracy because they all advocate special attention, guidance, protection, proactive attitude, affirmative economic policies, facilities, or funds with easy terms for the people's economy enterprises (principle/policy items 3, 16, 17, 29, 35, and 49 listed in the Appendix), although only Partai Persatuan Pembangunan (PPP) and Partai GOLKAR (PG) specifically mention cooperatives. All of the parties also support the anti-monopoly theme of the MPR Decision (p/p items 6, 15, 32, 43, and 50), while Partai Amanat Nasional (PAN) and Partai GOLKAR further develop the agrarian reform ideas in Paragraph 6 of the MPR Decision (p/p items 33 and 48). Agrarian reform legislation was passed before 1965 but has hardly been implemented during the New Order period, which is probably why PAN advocates consistent application of agrarian reform legislation. Other principles and policies (PPs) further elaborating on the MPR Decision are item 15 of Partai Demokrasi Indonesia (Perjuangan) [PDI Perjuangan], 34 of Partai Amanat Nasional (PAN), and 38 and 39 of PPP.

PG and PAN are exceptional in that they state that excess regulations, business restrictions and bureaucratic constraints cause difficulties, and advocate their elimination (p/p items 21 and 45).

All of the parties except PG, and especially PAN, advocate making use of global markets (p/p item 7, 17, 25, 26, 28, and 35 while PDI Perjuangan, PAN and PPP specifically mention the importance of foreign capital (p/p items 17, 25, 44). PG in item 51 does mention increasing exports but in item 46 advocates moving in the direction of national autonomy, which could be interpreted to mean less dependence on international trade, although it is unclear. Only PAN mentions the international trade principle of comparative advantage (item 28).

PAN is unique in raising the question of improving the contribution of the financial sector to development and returning it to its proper function (item 31). However, no specific policies are proposed.

Somewhat conspicuous because of their absence are infant industry policies, strategic industry policies so strongly advocated previously by President Habibieⁱⁱ, the allocation of tax revenues between the central and regional governments, royalty payments to regional governments for the exploitation of their forests and mineral resources, property rights of foreign enterprises, and specific policies with respect to the budget.

The economic platforms of these five parties are moderate compared with those of a smaller party, Partai Daulat Rakyat (People's Sovereign Party). Reliable information indicates that it is very strongly oriented towards autonomy through the minimisation of foreign debt and imports, and advocates industrial development using domestic raw materials and factors of production rather than imported materials, the restructuring of control of economic assets in accordance with social justice, and a greatly increased role for cooperatives including in the long-term as large-scale businesses. It also opposes privatisation of state enterprises which results in foreign ownership, but supports privatisation resulting in increased ownership by the people.

The Implications of the Political Parties' Principles and Policies for the Australasian Region

The more open the Indonesian economy is to international trade and the less it restricts imports, the more the rest of the Australasian region will benefit from international trade with Indonesia. As discussed above, PAN emphasises the importance of international trade more than the other political parties, while PG seems to be more inward looking. PDI Perjuangan, PAN and PPP appear to be more supportive of foreign investment. None of these parties consider foreign investment to be exploitative, and therefore are supportive of it. A favourable attitude towards foreign investment benefits especially the richer countries in the Australasian region who account for most of it.

There are dangers that the increased emphasis on favouring cooperatives and small and medium enterprises will not be effective and that it will be seen by large local and foreign enterprises as being discriminatory and therefore detrimental to them. On the first point, smaller enterprises in many cases are operating in markets, especially for services, which are already saturated. The promotion of the establishment of additional enterprises to compete in these markets often will only result in the exit of other ones from the market, and much of the resources to promote the additional enterprises will be wasted. However, there certainly is a great potential for more efficient exploitation of Indonesia's natural resources, especially forestry resources, and undoubtedly there is a substantial potential for increased participation by cooperatives and smaller enterprises. Fisheries resources accessible to smaller enterprises are already over exploited in many areas, and the under-exploited resources can only be exploited by larger firms.

It must be remembered that historically in Indonesia cooperatives commonly have not been successful, and therefore new innovative approaches must be adopted if they are to be successful in the future. During the New Order period many measures have been undertaken by many Government agencies to assist small and medium enterprises, often with little success. The reasons for these inadequacies must be studied as part of the process of designing new assistance policies.

A major question is how can Indonesia's surplus labour be productively utilised. Is it mainly through the mobilisation of smaller enterprises or through the further development of larger labour-intensive enterprises producing both for export and domestic markets employing millions of workers. Certainly the latter still has much potential. The absence of policies for facilitating these larger labour-intensive enterprises in the platforms of these five political parties is disappointing. Only PAN explicitly acknowledges the importance of large enterprises. The possibly more inward looking policies of PG are likely to retard employment growth. If unemployment levels (including disguised unemployment) continue to grow it will aggravate social instability and further hinder economic growth, with adverse consequences both for investors in Indonesia and for its trading partners. Extreme social unrest would also likely result in refugees fleeing to neighbouring countries.

Many Indonesians are conscious of the New Economic Policy in Malaysia from 1970 to 1990. This was a strong affirmative action program for mainly indigenous Malaysians who make up about 60% of the population. One could say that this was financed mainly by the business community that is dominated by the Malaysian Chinese community, which is about 30% of the population. The adoption of a similar type program in Indonesia would place a much greater burden on the Indonesian Chinese community, because they are only about four percent of the population. Any policies designed to promote cooperatives and small and medium enterprises in

Indonesia must be very carefully designed so as not to be interpreted as being anti-Chinese or anti-foreign, which could have a large adverse effect on investment and economic growth. There has already been much concern expressed about the Department of Cooperatives and Small and Medium Enterprises measures to promote cooperative and smaller enterprisesⁱⁱⁱ. Slower Indonesian growth in employment and income would have adverse effects on the investment climate in Indonesia and on demand for products from other countries in the region.

APPENDIX: ECONOMIC PRINCIPLES AND POLICIES OF FIVE INDONESIAN POLITICAL PARTIES

We now list various economic principles and policies of five major Indonesian political parties. Some apparently insignificant principles and policies and statements of objectives are not included.

Partai Kebangkitan Bangsa^{iv}

1. A market economic system that provides opportunities for all members of society
2. Respect for individual property rights
3. Support for the State in guaranteeing the equality of opportunities for all persons to participate in the economy, without discrimination, but paying special attention to efforts to strengthen household and small industries and enterprises, especially in rural areas
4. Promote optimal use of human and natural resources
5. Promote sustainable development
6. Prevent and limit monopoly and other forms of market domination which harm society at large
7. Support international and regional economic cooperation that is mutually beneficial so that the national economy can benefit from the process of economic globalisation
8. Support an open economic policy and encourage all national economic agents to cooperate in order to create national economic stamina (ketahanan ekonomi nasional)
9. Manage the national economy on the principle of a balance between economic growth, even distribution and stability
10. Increased accountability and transparency in government economic policies and business world activities

Partai Demokrasi Indonesia (Perjuangan)

11. Economic matters are arranged as a joint effort based on the principle of familyhood^v
12. Branches of production that are important for the nation and dominate the vital needs of the masses are controlled by the state⁵
13. Earth and water and the natural wealth contained in them are controlled by the State and used as much as possible for the prosperity of the people⁵
14. The state retains the main role in the economic activities of three sectors: 1) national development activities where the state functions as an initiator, implementer and the main burden bearer together with creating the climate and conditions which induce other

economic social forces to be involved actively; 2) economic activities directly connected with national security; and 3) economic activities which directly relate to the vital needs of the masses

15. Economic life is founded on Economic Democracy (Demokrasi Ekonomi) based on Pancasila. Economic Democracy does not practise the etatisme sistem, free fight liberalism and monopoly which damages the interests of the people.
16. Appropriate guidance and protection is given to the majority of the population who are weak economically in order to develop their economic potential, without having to cause distortions to market economy principles
17. Economic development must be based on the capability and capacity of the Indonesian people themselves, and on using the potential natural resources efficiently and maximally. In speeding up development and building the national economy oriented towards strengthening the people's economy (ekonomi kerakyatan) and in facing the pressures of globalisation, we must employ an open market economic system which is able to utilise foreign capital and the international money market.
18. Economic development should not be directed just at economic growth, but mainly towards the spreading of national income evenly and justly, which is implemented in a transparent way and involves all economic social forces in society, i.e. entrepreneurs, labourers, farmers, fishermen, technicians, and government administration to mutually cooperate (secara gotong-royong) to build national economic life as the realisation of Economic Democracy.
19. All types of taxes and money collected must be regulated by laws.
20. Individual property rights are recognised and have a societal function^{vi}

Partai Amanat Nasional

21. Eliminate all business restrictions and controls over small businesses and cooperatives and free cooperatives from bureaucratic restraints and the state apparatus
22. Halt the New Order's development strategy and adopt another one that is based on various comprehensive factors and that favours the weak.
23. Organise the economy on the basis of a strong and flexible market economy, based on democracy, supremacy of law, and supported by sound social structures. Economic policies must guarantee employment opportunities, increased productivity and prosperity.
24. Create fair competition by balancing market mechanisms with the establishment of clean and effective government to facilitate the creation of harmony between individuals and the interests of society. "The Government's role is to create safety nets and policies which provide equal opportunities for economic actors by ensuring the principles of justice." ("Pan Party Platform")

25. In order to return the flow of investment and technology it is necessary to restore domestic and international trust in the Indonesian economic and political system
26. "Policies that only seek to achieve the highest possible growth by allowing the attitude of 'expenditure exceeding revenue,' must be left behind. Priority must be given to economical behaviour and independence based on the strengthening of the pillars of national competitiveness in the face of the wave of globalization." ("PAN Party Platform")
27. Throughout the transition period aimed at stabilising the economy, efforts should be directed to maintain existing capital stock to prevent assets from becoming worthless as a result of drowning in the protracted waves of crisis.
28. The national rehabilitation program will focus on restructuring the incentive system. "The economic structure will be stronger because it will be based on the principle of comparative advantage" ("PAN Party Platform").
29. In supporting small and medium enterprises begin with the elimination of all restrictions that have, until now, hampered them. Fight to provide maximum opportunities for small and medium enterprises by having a proactive attitude to strengthening the foundations of institutions and by respecting healthy competition. Establish affirmative economic policies that support the weak ("PAN Party Platform").
30. Combine a macro-economic approach with spatial aspects in order to achieve more dynamic and balanced development among the regions. With regional autonomy the regions are "the central actors in identifying, formulating and resolving various unique local problems, thereby increasing the effectiveness of regional governments" ("PAN Party Platform").
31. Financially-driven economies as of late have been exploiting goods-producing economies because money and other financial assets are traded as commodities. The financial sector needs to be a facilitator of the real sector, and the two sectors not be separated. A new order needs to be created which returns the financial sector to its proper function ("PAN Party Platform").
32. Consumer protection and anti-monopoly laws are needed as prerequisites for creating justice for all. "Limits to the power of big businesses are essential elements of economic policies" ("PAN Party Platform").
33. Agrarian reform is important so that all citizens can have access to land. "Too great a control over land must be restricted. The consistent application of agrarian reform legislation and recognition of indigenous rights should be the first steps in land restructuring in Indonesia" ("PAN Party Platform").
34. Workers' associations are free to establish themselves in order to fight for their interests and must be capable of supporting workers' struggles by carrying out their right to strike. "Workers have the right to receive a fair share of the results of their labour and join in decision making as actors in economic and social life. Government intervention that places the interests of workers' associations below the interests of capital and power must be halted" ("PAN Party Platform").

Partai Persatuan Pembangunan^{vii}

35. Continue national economic development and resilience with a focus on strengthening the people's economy in mainly the agricultural, industrial and services sectors handled by cooperatives and small and medium enterprises, along with economic units and activities which are export oriented. In connection with this, people's economy actors need to be given market information, facilities (kemudahan) in obtaining raw materials and funds with easy terms, together with technical assistance and protection from unfair competition with stronger enterprises.
36. Continue to strive for food self-sufficiency
37. Continue labour intensive (padat karya) projects in the agricultural, public works, industrial and service sectors
38. Develop a system for monitoring and/or supervising government and private foreign debt and review the budgeting system especially as regards foreign debt
39. Establish a national economic system and new economic policy which is truly based on economic democracy as is instructed by the 1945 Constitution
40. Take steps to re-determine which production sectors are important and dominate the vital needs of many people and thus need to be taken charge of by the state
41. Promote and regulate through legislation mutually beneficial cooperation between cooperatives, state enterprises and private enterprises, and also mutual relationships between small, medium and large enterprises
42. All kinds of taxes and collections that burden the people must be approved by the People's Legislative Assembly (DPR)
43. Prevent the accumulation of assets and economic power together with domination of markets because of the economic imbalance and social imbalance caused by them. In contrast, evenness in the use of assets and economic power based on justice, democratisation and effectiveness needs to be applied. Prevent forms of monopoly, oligopoly and conglomerate formation that damage people. In connection with this, Anti-Monopoly, Anti-Cartel and similar type legislation needs to be created.
44. Eliminate all factors that cause Indonesia to be of high risk for investors, especially foreign investors

Partai GOLKAR^{viii}

45. Create an economic climate that is conducive for eliminating excess regulations along with operating a healthy market economic system
46. Perfect the production structure and distribution network along with changing the consumption pattern in the direction of national autonomy

47. Overcome the unemployment explosion and poverty crisis by increasing agribusiness, agro-industries and tourism along with other efforts based on natural resources and agriculture
48. Accelerate credit reforms and land market reforms making them more oriented towards the Development Trilogy (Trilogi Pembangunan), especially even distribution
49. Expand and distribute soft (lunak) credit to small enterprises, including artisans, middle sized and cooperatives along with the informal sector
50. Make laws to strengthen economic fundamentals that are just, such as Antimonopoly/ Fair Competition and Consumer Protection legislation, improvements in Banking laws, Foreign Ownership legislation, and improvements in various regulations that clarify Paragraph 33 in the 1945 Constitution
51. Increase the role of Partai GOLKAR entrepreneurs especially in the regions in creating jobs and increasing exports along with eliminating all types of obstacles
52. Carry out consistently the Indonesian economic reform program in the form of the structural and emergency programs cooperating with multilateral institutions such as the IMF, World Bank and ADB, along with bilateral cooperation including cooperating with the Indonesian Consultative Group (CGI)

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ENDNOTES

i. Translations from Indonesian into English are the author's own unless otherwise indicated.

ii. See Rice, Robert (1998)

iii. For a description of Department of Cooperatives, Small and Medium Enterprises concepts and efforts to strengthen the people's economy see Departemen Koperasi, Pengusaha Kecil dan Menengah (1999)

iv. Selected from Partai Kebangkitan Bangsa (1998), 8-9.

v. Also a principle in the 1945 Indonesian Constitution

vi. Economic principles 11-20 are Partai Demokrasi Indonesia (Perjuangan) principles are taken from Partai Demokrasi Indonesia, 76-81.

vii. Items 35 through 44 are from Partai Persatuan Pembangunan, the "Program Perjuangan" part of this publication, pp. 62-64.

viii. Items 45 through 52 are taken from the GOLKAR Party economic reform efforts listed in "Keputusan Musyawarah Nasional Luar Biasa Golongan Karya Nomor: VII/MUNASLUB/GOLKAR/1998 tentang Pokok-Pokok Program Umum Partai Golongan Karya Tahun 1998-2003", which is reprinted in *Materi Rapat Koordinasi Nasional II, Departemen Tani dan Nelayan DPP GOLKAR*. Seven other efforts are listed which are either very general or about the same as present Indonesian Government policy.